App F IX 4

Previous References

Mt 50-22-475
Mt 97-30 & 7570
Mt 80-31 & 6-D
Mt 178-30 & 6-D
Mt 301-24 & 1, 2, 3, 4, 5, 6, 7 etc

Later References

175-33-3, 4, 4a, 5

Later refer
Mt 100 3688 1/32

1933.
( mt )

File No 175-33
Serial Nos 1 to —

9.2.33

# GENERAL AND REVENUE SECRETARIAT.

Serial Nos Two

**Part B for** Dec 1932

## SUBJECT.

Proposal of the Government to consolidate all the existing loans sanctioned to the Municipality and easing the burden of the proportion of the maintenance charges of roads now borne by the municipality

Issued vide 4312 of 22/12/33 to Provincial Civil Surgeon. States that the proposal cannot be accepted

vide 4313 of 22/12/33. Copy to Commissioner

5/4

Serial No

Letter No Lg.T 184 dated 1-8-33 from the President Mysore city Municipal council soliciting orders of Govt in regard to (1) easing the period and conditions of the existing loans sanctioned to the Municipality and (2) easing the burden of the proportion of the maintenance Charges of water supply now borne by the Municipality -

1) The President reports that out of the 7 points urged by the Municipal Council, 5 points have been practically disposed of in Lg.o No L 112-15/ ML 246-31-14 dated 8-7-1933 sanctioning a loan of Rs 1 lakh and a grant of Rs 50,000 in connection with the improvement of the distribution of water supply in Mysore city. The only 2 points which remain to be considered are

(1) Easing the period of repayment of existing loans to such period as will enable the Municipality to meet the instalments in future without increasing the present provision made for repayment of loans

(2) Revising the proportion of the maintenance Charges so as to limit the liability of the Municipality to half instead of 2/3 as at present

As regards (1) the President requests that all the existing loans may be consolidated into a single loan and the period of repayment extended to at least 15 years, only the current

pre-war loans put up another connection

NOTE—Contn Sheet

WD 70—GBPM—60 000—13 8-34

rate of interest being levied on the loans from Consolidated

As regards (2) it is urged on behalf of the Municipality that the maintenance Charges have risen from 1·2 lakhs to 1·6 lakhs and that out of a total quantity of 3½ million gallons of water supplied per day only half the quantity goes to the share of the rate payers, the other half being consumed partly by parks and gardens in the city and partly by Govt buildings, gardens and the Palace

Submd for orders

RMM 8/8 PS

2) The two questions have been dealt with separately. Two files may be opened with the relevant extract of the P W D In each case full references should be put up, viz in (1) all files in which the loans were sanctioned & (2) those in which the present properties & maintenance charges were fixed.

This may be done early

MM 9/8

3) As regards (2) extract of the P W D has been taken and it is being worked up separately Regarding (1) the following files are put up as directed —

Serial No

4) (1) Ml 58-22-5 sanctioning a loan of Rs 2 00,000 for market improvements at 7% repayable in 13 years
(2) Ml 301-29-6 sanctioning a loan of Rs 2 lakhs for tarring roads at 6% repayable in 10 years
(3) Ml 178-30-7 sanctioning a loan of Rs 25,000 for improvement of conservancy at 6% repayable in 10 years
(4) Ml 44-30-10 sanctioning a loan of Rs 50,000 for the Mandi drainage works at 6% repayable in 10 years
(5) Ml 80-31-7 sanctioning a loan of Rs 50,000 for tarring roads at 6% repayable in 10 years.

~~Proceedings~~

5 Submd with reference to para 2 supra

RMM 12/8 MM

6 The request of the Municipal Council that all the existing loans (exclusive of the loan of 1 lakh recently sanctioned for Water Supply improvement) may be consolidated into a single loan, on current rate of interest, the period of repayment being extended to at least 15 years (from the date of Consolidation perhaps)

7 The loan of Rs 1 lakh recently sanctioned carries interest at 5% & is repayable in 20 years

8 The statement showing the details regarding the several loans

10 The Fin' Secy may be consulted

Chief Secy) YCS 18/8
") RS
Fin' Secy) MM 14/8

File No 676/J of 193

14) The phenominal fall in the money rate of interest is of quite recent origin The proposed consolidation of outstanding loans into a single loan bearing current rate of interest, is not financially acceptable since the loans previously issued have been financed from borrowed funds on which interest at higher rates is ~~counting to be~~ being paid ~~out~~ even now. I have, however, no objection to the extension of the period of repayment without affecting the rates of interest charged should such an expedient be found necessary.

28 & 29

28/8/33

Chief Secy)

29/8

~~Research~~ Dewan 13

RG 30/8/33

30/8

15) I think the case for reducing the rates of interest is not strong. Please note what would be the annual equated instalment if the periods of the several loans are reduced to 15 years - of loan no 1 by 2 years and of other loans by 5 years - the rates of interest being the same as now -

30 & 33

RG 31/8/33.

If approved the file may be referred to the Controller and Auditor General for furnishing the information required by the Dewan.

Chief Secy)

31/8

16) RG 1/9/33

2676

General and Revenue Secretariat | File No. | of 193 | [App F III—2

Serial No 16

Forwarded with compliments unofficially to the Comptroller to grant for favour of furnishing the information. (Reference no)

Asst Secy

for Chief Secy to Govt

D NO 50-33

2-9-33

Rlo 137/33

BANGALORE

Ro 154/spl — 11/9/33

U.O. No 9/R & D 8, 11-9-33

Returned with compliments.

The annual equated payments of the several loans at the sanctioned rates of interest will be as under if the period of repayment is extended to 15 years in each case.

| | Amount of Loan | Rate of Interest | Annualy equated paymen |
|---|---|---|---|
| (1) | Loan of Rs. 2,00,000 | @ 7% | Rs. 21,958/- |
| (2) | " Rs. 2,00,000 | @ 6% | Rs. 20,592/- |
| (3) | " Rs. 25,000/- | @ 6% | Rs. 2,574/- |
| (4) | " Rs. 50,000/- | @ 6% | Rs. 5,148/- |
| (5) | " Rs. 50,000/- | @ 6% | Rs. 5,148/- |

5,25,000

M. Venkatesaliengar

Comptroller.

13/9/9

RR 15/9

18 Send with reference to orders in para 14 above

Chief Secy) Asst 15/9

to Please put up when the Secretary happens to see me. RR 28/9/33

(37)

D 30—GBPM—60 000—13-8-34

676
I

File No. of 193

21) Submitted with the note received from the President of the Hon'ble Council on the subject explaining the grounds on which a reduction in the rate of interest charged on the several loans is requested

22) The file may be sent again to the Finance Secy for favor of remarks in the light of the points raised in the President's note.

Chiefsecy) 16/11

23 For favour of remarks

Fin Secy 16/11(33)

16/11

P 70

1/A

CHIEF SECRETARY
10 NOV. 1933

Fe 1353/17-11-33
Reference para 1

Serial No

FE 1353

24 The issue raised in this case is of a general character and whatever decision is arrived at in this case will have to be applied to all other similar cases So a careful consideration of the matter is necessary.

25 The loan of Rs 2,00,000/- sanctioned in the year 1923 carries interest at 7% and the other loans sanctioned during the years 1930, 1931 and 1932 bear interest at 6%. The Municipality wants all the existing loans to be consolidated into a single loan, only the current rate of interest being levied on it.

26 The first loan was repayable in 13 years and if the annual instalments had been paid on the due dates, the balance outstanding would have been small and the interest payable on it would not be much. From the statement appended to the Presidents note, it is seen that the Municipality has paid only four instalments. The Municipality has, therefore, to blame itself if this loan is still outstanding.

27 No doubt, the 7% Government Loan raised in 1921 has been discharged. But the 6-1/4% & 6½% loans raised by us in the year 1920 & 1921 still remain undischarged and the rate of interest on loans advanced by us should not merely cover the interest charges which we pay but als (1) the charges incurred in the administration of the debt, (2) the incidental losses on account of concession shown in individual cases in the shape of waiving the recovery of interest, charging reduced rates of inter est etc., and (3) loss due to default in repayment.

The loans raised by us during 1930 carry interest 28 at 5½ per cent and if provision is made for the charges referred to above, the 6% rate cannot be considered high.

NOTE—Contn Sheet

WD 0434—GPB—15 000—12-10-33

Serial No

29 As we are still paying interest at 6¼% and 6½% on some of the outstanding loans, the proposal of the Municipality to reduce the rates of interest on loans previously advanced to it will result in loss to Government and is not financially acceptable.

30. It is most undesirable to alter the rates once accepted. If instead of going down, rate of interest had gone up, the Local Body would certainly not have agreed to the rate being enhanced. There is therefore no reason why the rate on Loans already issued should now be reduced.

31. Reduction of rate of interest in one case will lead to reduction in all other cases of a similar kind. This will add to our deficit and will create a tendency to weaken the sanctity of contracts -- always to the disadvantage of Government. Any tendency to break or change Contracts and Agreements should be discountenanced by Government and particularly so when it will involve financial loss to Government.

32 The proposed reduction cannot for these reasons be accepted

DEWAN'S OFFICE 3M1 13 DEC. 1933

2-12-33

2.12.33

For orders.

Chetty

4/12

12/12

Dewan

13-12-33

14/12/33

neral and Revenue Secretariat | File No | of 193

Serial No

Submitted with a draft for approval

SS 15/12 AV

On page 3 ante note flagged V. the Accountant has stated that the case for extension the period of repayment of the loan may not be considered apart from the question of the rate of interest. If the question of extending the period of the loan is referred to Govt by the Met. Dept. we cannot state that the draft reply may be issued

Chief Secy)

tm 19/12

DEC 33

RB 10/12/33

Issued vide 19/12/33

Issues vide 4312 of 25/12/33. To communicate the Govt of Mysore States that the proposal cannot be accepted

vide 4313 of 25/12/33. also to communicate for information

RB 27/12/33

NOTE—Contn Sheet.

WD 70—GBPM—60 000

File No

No 4-7184 ✓
Encl 2

M2 175-33-1

OFFICE OF THE PRESIDENT.
CITY MUNICIPAL COUNCIL, MYSORE
Dated 31st July, 1933.
1-8

676

FROM

B T KESAVA IYENGAR, Esq, B A
PRESIDENT, CITY MUNICIPAL COUNCIL,
MYSORE

PUB & REV SECTT
14 AUG 1933
L. S. G. BRANCH.

To

The Chief Secretary to the Government
of His Highness the Maharaja of Mysore,
Bangalore.

SIR,

In forwarding herewith a copy of Municipal Council's Resolution No.416 dated 25-5-1933 regarding the improvement of water supply to the City and allied questions, I have the honour to state that subsequent to the date of the meeting, a deputation waited on the Dewan and urged the several points noted in the resolution. Government have since passed Orders in Government Order No.L.112-15/M1 246-31-14 dated 6/8-7-1933 sanctioning a sum of Rs.1,50,000/- partly as a loan and partly as contribution, for improving the head works and carrying out urgent measures for the improvement of the -- distribution system. The Government Order referred to disposes of practically all the points raised in items (1), (2) (4) and (6) of the Resolution of the Municipal Council. The only two points which would seem to require consideration are.

(1) Easing the period and conditions of the existing loans and (2) easing the burden of the proportion of the maintenance charges now borne by the Municipality.

As regards (1) viz., request for easing the period of repayment of existing loans, referred to in paragraph 3 of the Resolution, I beg to enclose herein a statement showing the position of the Municipality in respect of the loans so far taken excluding the loan of Rs.1,00,000/- now sanctioned. Out of the total amount of

Rs.5,25,000/- a sum of Rs.1,03,910/- has been repaid to end of June 1933, leaving a balance of Rs.4,21,090. This includes a sum of Rs.50,000/- borrowed by the Council for the City -- Improvement Trust Board for drainage works. The responsibility for liquidating this amount of Rs.50,000/- devolves on the Trust Board who have agreed to repay the amount in 10 equated annual instalments of Rs.7,000/-. Thus, the total amount of the loan for which the Municipal Council is responsible is Rs.3,71,090/-.

The yearly equated instalments for the whole loan of Rs.4,21,090/- amounts to Rs.71,710/- including interest charges. From this will have to be deducted a sum of Rs.20,000/- made up as follows and payable by the City Improvement Trust Board and Government.

| | Rs. |
|---|---|
| City Improvement Trust Board for Mandy Drainage Loan. ... | 7,000 |
| for road tarring loan. ... | 8,000 |
| Government contribution for maintenance of provincial roads. ... | 5,000 |
| Total Rs. | 20,000 |

The net amount payable, by the Municipality annually will thus be Rs.51,710/-, which forms an appreciable part of the normal resources of the Municipality. Of late years, the expenditure of the Municipality has increased considerably owing to the increasing cost of the maintenance charges of Vani Vilas Water Works, the transfer of primary education to the Local Education Authority and the undertaking of other sanitary measures.

In the present circumstances, it is found very difficult to meet all the obligatory commitments of the Municipality including maintenance charges of the Vani Vilas Water Works. In order therefore to make the position easier and also to ensure payment of the annual equated payments towards the new loan of Rs.1,00,000/- sanctioned for improvement of water supply, the Council have urged that Government may be approached with a request that all the existing loans may be consolidated into a single loan and the period of repayment extended to at least a

period of 15 years, only the current rate of interest being levied on the loan thus consolidated. I submit this request of the Municipal Council for the favourable consideration of Government.

As regards the question of revising the proportion of the maintenance charges referred to in para 5 of the Resolution, I beg to state that the proportion of 2 to 1 was fixed in the year 1927, when the maintenance charges amounted to only 1.2 lakhs. The maintenance charges have gradually risen to 1.6 lakhs in recent years owing to the formation and laying out of the extensions and additional parks and gardens, and this increase has been felt as a heavy burden by the Municipality and the Municipal finances are unable to bear these heavy charges.

Further the total quantity of water that is being distributed in the City per day amounts roughly to 3½ million gallons. Of this, a quantity almost equivalent to 1.2 million gallons is understood to represent the consumption in parks and gardens, as observed recently when one of the pumping units broke down and water entirely cut off to these gardens. If to this is added the daily supply to the Government gardens and buildings and the Palace, the net quantity that goes to the share of the Rate-payers is suggested to be not very much more than half the quantity pumped daily. On this basis the Council urge that Government may be pleased to reconsider the question of proportion and revise the liability so as to make the -- distribution of charges more equitable.

In submitting this request, the Council are fully aware that the provision of water to gardens and parks is as much their concern as that of the Government, but in view of the financial position of the Municipality, they have no option but to plead that the burden on account of maintenance charges should be eased to some extent at least. This request also may be sympathetically considered.

I have the honour to be,
Sir,
Your most obedient servant,

President

## Mysore City Municipality.

Statement of commitments of the Municipality under loans from 1923 up to date (Statement No.1)

| No. | Name of works. | Amount of loan taken. | Percentage of interest charged. | Amount of yearly repayment. | Term of discharge. | Amount paid till the end of 1932-33. | Balance remaining on 1st July 1933. | Remarks. |
|---|---|---|---|---|---|---|---|---|
| 1. | Market improvements:-(1923) | 2,00,000 | 7% | 15385 towards principal<br>10825 towards interest. | 13 years | 61,539 (four instalments) | 1,39,461 | The interest goes on reducing by Rs.1020 nearly every year. |
| 2. | Tarring of roads in the Mysore City (1930) | 2,00,000 | 6% | 28,000 | 10 " | 38,198 | 1,61,802 | |
| 3. | Improvement of Conservancy (1931) | 25,000 | 6% | 5,500 | 10 " | 5,000 | 20,000 | |
| 4. | Mandi Drainage works:-(1931) July | 50,000 | 6% | 7,000 | 10 " | | 50,000 | Being paid by the Trust Board |
| 5 | Road tarring (1932 July) | 50,000 | 6% | 7,000 | 10 " | | 50,000 | |
| | | 5,25,000 | | 71,710 including interest for item No.1. | | 1,04,737 | 4,20,263 | |

President
ewm
31733.

Proceedings of the 18th (Special) meeting of the Mysore City Municipal Council held in the Council Chambers on Thursday the 25th May 1933 at 4 P.M.

---

Present.

P.T.Kesava Iyengar Esq., B.A.,President.

1. Rao Sahib M.Ramaswamy, Esq., Vice-President.
2. M.Rama Rao, Esq., B.A.,B.L.,
3. T.S.Alli Khan, Esq.,
4. C.Doddajavarappa. Esq..
5. K.N.Venkatakrishniah, Esq., B.A.,
6. M.Venkatakrishniah, Esq.,
7. A.Krishna Rao, Esq., B.A.,B.L.,
8. S.Krishnaswami Rao, Esq., B.A.,LL.B.,
9. H.L.Devaraj Urs, Esq.,
10. M C.Thammiah, Esq.,
11. H.C.Dasappa, Esq., B.A.,LL.B.,
12. M.K.Madhava Rao Power,Esq.,
13. Hakim Mahamad Khasim Ansari,Khaji,Esq.,
14. Fida Hussain, Esq.,
15. Mahamed Sait, Esq.,
16. Y.Virupakshiah,Esq.,
17. V.T.Arnugum Modaliar, Esq.,

Absent.

1. M.K.Krishna Rao, Esq.,
2. P.Sitaramiah. Esq.. B.A.,B.L..
3. C.Narasimhiah. Esq., B.A.,B.L..
4. N.P.Pangadharaiya,Esq.,
5. T Thammanna. Esq.,
6. A R.Srikanta Sarma, Esq.
7. W.H.Theobald, Esq.,
8. Sri K.D.Pukminiamma, B.A.,
9. K Dharakoti Chetty, Esq.,
10. A.J.Ram,Esq.,
11. P.N.Sangappa. Esq.,
12. P S Ramaswamiengar, Esq.,

**416. Letter dated 8th May 1933 from Mr.M.Venkatakrishniah, Municipal Councillor, forwarding the following resolution:-**

"In view of the constant, frequent, and repeated failure of water supply to the City of Mysore due to the failure of pumps at the Belagola Station, and other breakdown in the filter-bed, and inadequate supply even on ordinary occasions to the houses in different extensions mostly situated on high grounds and the complaints of the citizens in consequence thereof, remedial measures are urgently called for. Old and unserviceable pumps have to be replaced and the main pipes in many of the localities have to be replaced by new ones of large capacity of flow in them. To achieve these and to remove thereby hardship of extreme distress are urgent. Requisite funds have to be obtained early from the Govern in one ofthe three of following manners.

i) Contribution from the Government
ii) Loan
iii) Raising the fund through debenture loan
iv) Any other measure calculated to remove the grievances

Resolution- After a lengthy discussion on the subject, the following resolutions were recorded:-

1.That as improvement to distributory system is as important as improvement of the Headworks, the complete scheme of improvement of the water supply to the City be taken up without further loss of time, the most urgent items being started at once.

2.That Government be requested to advance the funds required for the whole scheme in the first instance, the portion of the cost debitable to the Municipality being treated as a loan recoverable in easy instalments and bearing interest at the present prevailing market rate. In the alternative, Government be requested to bear the entire cost of improvements at the Headworks including the cost of constructing another reservoir and the liability of the Municipality be limited to the improvement of the distribution system now and in future.

3. That in either case, the amount required for improvement of the distribution system be obtained as a loan from the Government. As regards repayment of the loan now asked for and of the other loans already obtained, Government be requested to ease the period of repayment of existing loans to such period as will enable the Municipality to meet the instalments in future without increasing the present provision made for repayment of loans.

4.That the question of treating the advance of Rs.46,000 sanctioned recently by Government for renewing the pumping unit

at Belagola and the Jewell Filters as a loan be deferred pending settlement of the question of financing the scheme as a whole, ar pending settlement also of the question as to what proportion of the cost on account of capital works should be borne by Government and what proportionby the Municipality.

5. That the proportion of the distribution of the maintenance charges between the Municipality and the Government in the ratio of 2 to 1 fixed tentatively in their order of January 1927, be revised so as to limit the liability of the Municipality to half in view of the fact that nothing has been done by the Department of Water Supply to improve the distribution to the affected areas in the City while the Municipality has been incurring expenditu fromtime to time on mains and submains part of which expenditu should have been debited to Government. The Municipal Council further urge that the supply of water to Public Parks, Gardens and other institutions, being ascertained to be roughly about half the quantity pumped, the question of distribution of the cost as proposed above be strongly stressed, a thorough investigation of th supply to the different institutions being carefully made.

6. That a request be submitted to the Dewan Saheb to receiv were a deputation of the Municipal Council when the Dewan is in M[illegible] were[illegible]est during the Birthday Week.

7. That Government be requested to appoint a committee ed De-official and non-official members of the Municipal Counc than examine the above proposals at a very early date.

x x x

Sd/-B.T.Kesava Iyengar,

wed

President.

"Copy"

President.

CITY MUNICIPAL COUNCIL, MYSORE

Dated 7 " 1933

CHIEF SECRETARY,
10 NOV. 1933

My dear Rangaiah,

I enclose a note for your information as regards the request of the Lady for a reduction in the rate of interest on her loans and for extending the period of repayment. I have urged certain aspects of the case which have not been dealt with in the notes in the file given to me. Please make such use of the note as you may think necessary. I am sorry I have kept the file with me for over a fortnight but I have been very busy these days in connection with the Viceregal visit and the submission of administration reports etc. The delay may be overlooked kindly.

With very kind regards,

Yours Sincerely

M Visvesvaraya

KESAVA IYENGAR
PRESIDENT

7

## Note

I herewith return the Secretariat file of papers relating to the loans taken by the Mysore Municipality from time to time with the following note:-

The first point for consideration is as regards the rates of interest charged for the several loans granted to the Municipality by Government.

The loan of 2 lakhs sanctioned in 1923 for the improvement of the Devaraj Market bears interest at 7%. At the time the loan was granted, it would seem that Government themselves had borrowed heavily from the public paying that high rate of interest and the Municipality would not have been justified in claiming a reduction in the rate ~~of~~ if the same conditions continued. But it is seen that that loan has been replaced by another at a considerably lower rate of interest and in the altered circumstances, the request of the Municipality for a lower rate of interest seems reasonable and deserving of favourable consideration.

The loans advanced in 1930,1931 and 1932 for 2 lakhs for the tarring of roads which carry interest at 6% stand on a different footing. It does not seem as though these amounts were advanced out of loan funds. It is likely that these advances were made out of the surplus funds available for investment, funds for instance which were in Savings Bank Deposits or Fixed Deposits on which the rate of interest was at no time more than 5% and in the case of Savings Bank Deposits not more than 4%. Further when the Government floated a loan in 1930, the rates of interest varied from 5% to 5½%. Taking these circumstances into consideration, the request of the Municipality to be allowed to pay a more favourable rate of interest seems justified. After all, the Municipality is a quasi-official body and any consideration shown to it would be in public interests.

Similarly the loan of Rs.50,000/- sanctioned for Mandi Drainage works does not seem to have been advanced from any

loan fund. This amount is only an advance grant to the Trust Board which is mainly financed by Government and the rate of interest charged goes in effect to further lower the already reduced Government grant to that Body every year for the next ten years. It indirectly affects Government interests inasmuch as Government will be paying heavy interest on its own loan operations.- Merely extending the period of repayment without a reasonable reduction in the rates of interest does not go far in relieving the burden borne by the Municipality. In the long run such a course is prejudicial to municipal interests as the Municipality will have paid a very big sum on account of interest charges in view of the prolonged period of repayment. Further a commitment like this would put back the progress of municipal activities for several years and stifle their chances of borrowing at prevailing rates of interest which are very favourable now for other works of an urgent and important character.

Again, this city was being largely helped by Government in the shape of very substantial grants through the City Improvement Trust Board and this body was carrying out drainage and other important schemes of removal of slums and congestion - calculated to improve the health conditions of the City and it finds itself unable to complete a number of such schemes due to very low Government grants sanctioned in recent years It looks as though the Board is unlikely to discharge its commitments in this direction inthe near future. The question of removal of congestion and of providing drainage facilities in many parts of the City and extensions is becoming more and more urgent, and the Municipality with its expenditure sometimes exceeding its normal revenue due to its burden in the shape of loans already contracted, feels incapable of meeting its obligations in the direction of improving the health conditions by providing adequate drainage arrangements. If the rate of interest and the period of repayment are eased, the Municipality may find itself in a positio

to do something even bit by bit annually in this direction until the Trust Board is given grants as before, besides being enabled to carry out some schemes out of further loans to be taken, the repayment of which can be ensured by the amounts available out of savings secured by the reduction in the rate of interest and the prolonged period of repayment. The unofficial note of the Comptroller indicates that the Municipality will have to pay annually Rs.55,000/- if only the period of repayment is extended. The Municipality has now to pay Rs.71,700/- including contribution from the Trust Board. If the rate of interest is also reduced to 5 or 5½% the annual payment would be about Rs.50,000/- and this would mean that Rs.20,000/- will be released annually for future borrowing a further loan of two lakhs of rupees, being - obtained by the Municipality under the more favourable conditions prevailing now. This aspect of the case deserves examination. For these reasons, I submit that the case for extending the period of repayment may not be considered apart from the question of the rate of interest. The Government are fully aware as to how low the prevailing rates of interest now are and how even the Savings Bank Deposits and Fixed Deposits have gone back to the old conditions of 3 1/8% and 3¾%.

President

GVN

Appendix F G—1]

SUBJECT

Section Rel
File No 175-33
Serial No 2

*Diary No of letter replied to* L 676

No L 4312

To

The President City Mcl
Mysore

General and Revenue Secretariat
( Rel )
*the* *193*

Date of issue 22-12-33

Signed by M. A. Subbarao

Sir.

With reference to your letter no. G.T. 1824 dated 1/8/33 requesting ~~among other things~~ (formerly each loan) that all the existing loans (each one) give loan of 1 lakh sanctioned for water supply improvements may be consolidated into a single loan on current rate of interest, the period of re-payment being extended to at least 15 years, I am directed with regret to state that the proposa

List of enclosures

Copied by [illegible] 21.12

Examined by

Cannot be accepted

~~as not commercial~~

~~to Govt, as it~~ ~~will involve~~

D Haweeta

RJ

W/12

Chief Secy to Govt

Memo No. 4313 dt 22.12.33

Copy of the above is forwarded with compliments to the Comptr to Govt for information

for Chief Secy to Govt

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No L4312/Rl75-33-2 Bangalore, Dated, 21st Decr. ~~1933~~ 1933.

From

The *Chief Secretary to the Government of His Highness the Maharaja of Mysore*

To

The President, City Municipal Council,
Mysore.

Sir,

With reference to your letter No.G.T.184 dated 1st August 1933 requesting that all the existing loans sanctioned by Government to the Municipality - exclusive of the loan of 1 lakh sanctioned for water supply improvements - may be consolidated into a single loan on current rate of interest, the period of repayment being extended to at least 15 years, I am directed to state with regret that the proposal cannot be accepted.

I have the honour to be,

Sir,

Your most obedient servant,

Sd. R Ranga Rao

Chief Secretary to Government.

No L4313 & 25-12-33

Memo

Copy of the above is forwarded with compliments to the Comptroller to Government for information.

By Order,

Asstt. Chief Secretary to Government.